

ried out. Various reasons have been assigned by the German command for refusing the call of Austria, one being the Austrian rejection of the plan to accept Gen. von Below as commander in chief of the Teutonic forces on the Italian front.

In all her previous successes, if that term be used, Austria has had the aid of German troops to brace her ranks. Now the Germans are lacking and the almost daily report from the Austrian War Office is that the Austrians have retired to avoid the unnecessary sacrifice of men. This report overtly covers the admission that Austria is incapable of putting forth any great resistance. At the same time the Italian command, the assistance of the allied troops and are putting forth their strongest and best efforts against the Austrians with the new spirit behind them.

The flood of reports of hunger, dissatisfaction and even mutiny in the Austrian army, coupled with food riots at various points, the upheaval of the Ministry of the Dual Monarchy, the further confusion in Russia and the fact that Germany itself is passing through a Ministerial crisis, are all points justifying the assumption that internal conditions are assisting in holding up the German drive.

It is not believed that there are other reasons that could have induced the German general staff to hold up its offensive in France when in full stride, and thus give the allies time to reorganize their forces and America time to rush additional troops to France to augment the million there on July 1.

ENEMY GETS SIXTH U. S. BOMBING AERO

Berlin Reports Capture of Whole Squadron in Raid on Coblenz.

PERSHING CONCEDES LOSS Confirms Earlier German Version—Awards Medals for Bravery.

BERLIN, via London, July 12.—All six of the American airplanes which attempted to bomb Coblenz yesterday have fallen into German hands.

The capture of five was reported yesterday, and an official report issued today said the one remaining machine had been shot down. The text of the communication follows:

The sixth airplane of the American squadron which attempted to fly to Coblenz, as reported yesterday, has fallen into our hands after being shot down.

MONTENEGRINS DEAF TO DEFEATIST PLEAS

Famine and High Death Rate Prevail in Kingdom.

Special Cable Despatch to The Sun from the London Times.

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SARAJEVO, July 12 (delayed).—Information has been received in Serbian official circles here that the present situation in Montenegro is dreadful; intense famine with a terrible mortality prevails throughout the kingdom and the people are reduced to feeding upon wild herbs, roots and the bark of trees.

Brigandage is rife, but numerous bands of insurgents have been organized to protect the rural communities both against the brigands and the Austrian authorities. The insurgents, who are armed with Austrian rifles and in motley Austrian uniforms, are said to have headquarters in the neighborhood of Nikshitch, in the district of Belashitch. The enemies commanded by a Serbian Lieutenant who remained in Montenegro during the retreat of the Serbian army. He is now regarded as the national hero.

An engagement occurred recently between the insurgent and Austrian troops at Spouth in which the troops were ambushed and lost several hundred men in the engagement.

A former leader of the insurgents, Gen. Veshovich, having made terms with the Austrians, is now used by them as an agent to persuade his countrymen to follow his example, but he is denounced as a traitor and dare not show himself without the protection of an Austrian body guard.

He has obtained the services of several former Montenegrin officials as defeatist agents, but they find no listeners.

Enthusiasm for the insurgents are relentlessly pursued and many of them executed. Bands of Albanians are now employed by the Austrians to track the insurgents, and the latter are being savagely are said to be inconceivably horrible.

PERSHING TELLS OF LOSS OF FIVE PLANES

U. S. Commander Also Awards Medals for Bravery.

WASHINGTON, July 12.—Five American airplanes which went on a bombing expedition failed to return, Gen. Pershing's communique reported today. Berlin reported five American airplanes in German hands yesterday.

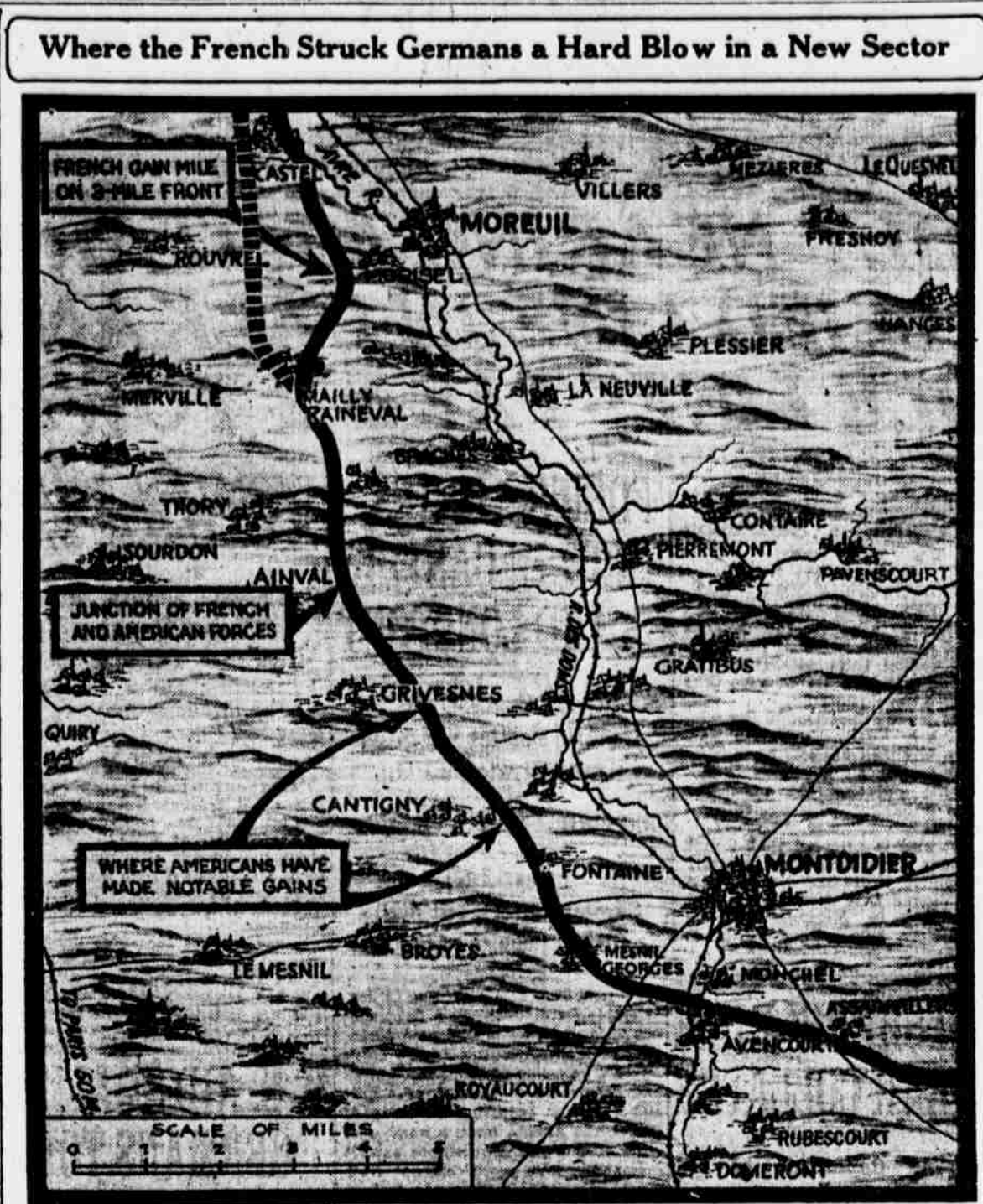
Gen. Pershing's communique gave no details, but yesterday's report from Berlin, which came by way of London, declared that the five machines were part of a squadron of six which started out to bomb Coblenz. The crews, the German reports said, were taken prisoner.

The distinguished Service Cross has been awarded by Gen. Pershing to eleven more officers and men for gallantry in the air.

Section A—in the Vosges a raid attempted by the enemy broke down with losses before our lines had been reached. The day passed quietly at other points.

As a result of a bombing expedition last evening five of our machines are missing.

Section B—in Picardy the enemy was very quiet on July 5 to 6. His artillery fire was considerably below the average. The vicinity of Coullemelle was the scene of a very active and heavy air force engaged in but little activity. One of our planes brought down an enemy observation balloon. An ammunition dump was exploded in the German rear area.



SHIFTS BACK TO THE FRONT BEFORE AMIENS, THE FRENCH FOLLOWING THEIR NOW WELL KNOWN TACTICS OF STRIKING HARD BLOWS AT THE GERMAN LINE WHEREVER THEY COULD GAIN THEREBY NEW GROUND OF GREAT STRATEGIC VALUE AT A SMALL COST OF FRENCH LIFE, ATTACKED IN FORCE ON A THREE MILE FRONT FROM CASTEL NEARLY TO MONTDIDIER AND PENETRATED TO A DEPTH OF A MILE AND A QUARTER.

AUSTRIANS IN MUTINY.

Garrison in Serbian Town Rebels Over Food.

CONF. JULY 12.—A serious mutiny among the Austrian troops in one of the occupied districts of Serbia is announced by the Serbian press bureau here. The garrison at Kragevets, the former Serbian army town, is said to have rebelled because of bad food, the statement asserts, and many of the officers were killed.

The mutiny was suppressed after a variable battle in which machine guns and artillery were freely used.

DERNBURG MEMBER OF PEACE PARTY

Continued from First Page.

perial reply to the peace note of Pope Benedict. The peace spirit which inspired this reply has also inspired me. At the time, however, I added that this spirit must not give our enemies free conduct for an interminable continuation of the war.

"What have we lived to see, however? While for years there have been no doubt whatever of our willingness to hold out our hand toward an honorable peace, we have heard until these last few days hostile speeches delivered by enemy statesmen. President Wilson wants war until we are destroyed, and what Mr. Balfour, the British Secretary of State, for Foreign Affairs, has said must really drive the fury of anger to the cheeks of every German.

"We feel for the honor of our fatherland, and we cannot allow ourselves to be constantly and openly insulted in this manner, and behind these insults is the desire for our destruction. As long as this desire for our destruction exists, we must endure, together with our faithful nation.

"I am also convinced—I know it—I believe it—that the German nation, the same serious feeling exists everywhere. As long as the desire for our destruction exists we must hold out with confidence in our troops, in our army administration and our magnificent nation, which bears so wonderfully these difficult times with their great privations and continuous sacrifice.

"In the direction of our policy nothing will be changed. If, in spite of these hostile statements, by these statements, any serious efforts or a paving of the way to peace were to show themselves anywhere, then, quite certainly, we would not adopt a negative attitude from the very beginning, but we would examine these seriously—meanwhile, I say expressly—efforts immediately with scrupulous care.

"Saying that I am not sufficient when some agent or other approaches us and says to us 'I can bring about peace negotiations then and there.'"

"It is necessary for the appointed representatives of the enemy powers, duly authorized by their Governments, to give us to understand that discussions are possible, discussions which for the time being naturally will be within a limited circle.

"Small Circle at First."

"But the statements which have spoken up to the present have not said what about such possibilities. When such possibilities manifest themselves and when serious inclinations toward peace show themselves on the other side, then we will immediately go into them. That is to say we will not reject them, and we will speak, to begin, within a small circle."

"I also can tell you that this standpoint is not merely my own standpoint, but that it is shared emphatically by the Chief of the Army Administration. The Chief of the Army Administration also does not conduct war for the sake of war, but has said to me that as soon as serious desire for peace manifests itself on the other side we must follow it up."

"You will be interested to know how we are working on this standpoint and certain problems on this standpoint and present time forces upon us. Exhaustive discussions took place regarding these questions July 1 and 2 at general headquarters under the presidency of the Kaiser."

Stands by Russian Robbery.

"Naturally I can only announce here quite generally the lines which were laid down at that time. Regarding the east we stand on the basis of the peace of Brest-Litovsk, and we wish to see this peace carried out in a loyal manner. That is the wish of the German Imperial administration, and it is supported in this by the chief of the army administration."

"I never regarded Mr. Gerard as a fit object for moral conquests. I did not attend the banquet in question, but so did the Vice-Chancellor and the Secretary of State for Foreign Affairs."

GERMAN GOLD TRACED.

Russian Officer Says Mirbach Was Corrupt.

LONDON, July 12.—Col. Sergius Cyon, a Russian army officer, who has arrived at Stockholm, says Mr. Mirbach, a banker, was the man who had been traced to a dispatch from Copenhagen to the Exchange Telegraph Company.

Several documents and 2,000,000 rubles (\$1,000,000) were discovered in the house where the banker was apprehended, and the officer, who had been in direct communication with the German Ambassador at Moscow, who was intimately connected with the monarchists.

One of the murders of Gen. Count von Mirbach was arrested Thursday, according to a Moscow despatch to the Frankfurter Zeitung.

Growing to a grave shortage in food supplies on the increase in Petrograd, says a Russian wireless despatch.

Mr. Zinovief, head of the Petrograd Soviet, in the morning of July 12, said in the council in the council province said:

"Every day many hundreds of persons are dying. It is impossible to do anything, as we are unable to furnish even a quarter of a pound of bread a day and are forced to give herrings instead." He urgently appeals for aid.

DEPUTIES IN UPROAR OVER BANK CHARTER

Renewal of Privileges of French Institution Is Attacked.

PARIS, July 12.—Last night's debate in the Chamber of Deputies on the charter of the Bank of France for twenty-five years, which was introduced by the bill of the Socialists, who did not let their attack die down with the granting of the twenty-five year extension.

Hardly had the vote been recorded when Albert Thomas, Socialist leader and former member of the War Council, proposed an amendment to the effect that the Chamber at any time within ten years after the cessation of hostilities could enact a law, by which the privileges of the Bank of France would be annulled.

He called at the expiration of this ten year period.

Louis Klotz, the Minister of Finance, refused to discuss the amendment and the ground that it raised the question of confidence in the Government. This caused a great uproar from the extreme left. Klotz then began to read the application of the law for the collection of the income tax, the Finance Minister added:

"What will bring you to jail," a Socialist interrupted.

M. Renault, presiding in place of Paul Deschanel, in reply to the demands for public voting, said that the request must be signed by fifty members who had been present at the roll call. Signs of protest and an indescribable tumult. Contributing to the excitement was an incident in which one of the Deputies accused the Socialists of replying to the name of a member who was absent. It was finally revealed that only forty-nine members had signed the petition for public voting, of whom only forty-five had been present at the roll call.

A Socialist motion to adjourn until next Thursday was voted down, as was a motion for adjournment until today. By a standing vote it was finally decided to adjourn the Chamber for fifteen minutes.

The members then began rousing up their members from the corridors and waiting rooms and members were hustled into the Chamber from all sides.

When the session began resumed the vote on the Thomas amendment was taken amid impressive silence. It showed the amendment defeated by 338 to 179.

MORE NEW ENGLAND HONORS.

Decorated Men of 26th Division With the American Army in France.

FRANCE, July 12.—Seventeen members of the Twenty-sixth (New England) Division were decorated by Gen. Pershing this afternoon for heroism in engagements on the front. They were the last of a number cited some time ago to receive the Distinguished Service Medal.

A shower of picturesque spot in the rear of the Marine front.

WASHINGTON, July 12.—Turkey has informed the United States that so far the facts as to the reported seizure of the American consulate and seeking of an American hospital at Tabria, Persia, by Turkish soldiers, have not been ascertained, but that it will be done at the earliest possible moment.

The United States asked for an explanation of this incident, which, if regular Ottoman troops were involved, might mean a declaration of war. The attack was reported June 19.

Minister Morria at Stockholm reported that the inquiry did not reach the Ottoman Government until July 5.

TURKEY ANSWERS U. S. NOTE.

Will Ascertain Facts About Tabria Consulate Seizure.

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MILUKOFF FORCES HASTENING TO KIEV

Leader Denies He Offered Protectorate Over Russia to Germany.

FOE MENACES BRITISH "May Have to Be Driven From Murman"—No Fear From Japan.

AMSTERDAM, July 12.—Despatches from Murmansk received in Vienna report that a continuous stream of Constitutional Democrats is arriving in that ancient Russian city to join their leader, Prof. Paul N. Milukoff.

Prof. Milukoff is reported to have declared in a conversation with the representative of Great Russia that the published statement that he had offered Germany a formal protectorate over Russia was based on a misunderstanding. The Constitutional Democratic leader admitted, however, that he belonged to a section of his party which was desirous of "orientating itself toward the Central Powers."

German official circles are of the opinion, says a Berlin despatch to the Rheinische Westfälische Zeitung, that the intervention of Japan in Siberia, adds the importance of Russia in having no interests divergent with those of Japan, would soon succeed in arriving at an understanding with her.

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Turks Deceive People by Fake Grain Cargoes

LONDON, July 12.—A despatch from Constantinople, dated July 4, describes one of the methods used by the Turkish Government to make the population of the city believe that wheat was arriving there from the Ukraine.

Several ships left Constantinople by day and proceeded during the night, to a port on the Black Sea where some of wheat were held for the Turkish army. This wheat was taken aboard and the ships returned to Constantinople, where it was brought ashore.

It was announced that this was a grain shipment from the Ukraine. The authorities added, however, that the army was short of wheat. During the night the grain was returned to the Black Sea from which it had come.

CONSTANTINOPLE IS BOMBED BY BRITISH

Half a Ton of Explosives Dropped Over City by a Combined Force.

GERMANS ASK RESPIRE Resolution in Baden Landtag Urges That Open Towns Be Spared.

LONDON, July 12.—British air contingents acting with the British navy dropped half a ton of bombs upon the city of Constantinople on July 7. It was announced by the Admiralty today.

The official statement of aerial operations in the battle front in France and Flanders issued by the War Office to-night reads:

During the night of July 11 our machines successfully bombed three enemy airfields, at two of which five bombs were dropped. Many rounds of machine gun bullets were fired at the searchlights and other military objects. On July 12 the railway station at Saarbrücken was attacked. Our machines for various reasons were driven down out of control. Three of our machines are missing.

Night flying was impossible. The Air Ministry statement follows:

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Another campaign has been undertaken along the Rhine to prevent allied bombardment of Rhine towns. In a speech in the Baden Landtag at Baden has been asked to adopt a resolution requesting the Government of the Grand Duchy to exercise its influence with the Imperial authorities to bring about an arrangement with the belligerents to abandon on both sides the aerial bombardment of towns outside the zone of military operations.

In a speech in the Landtag in favor of the proposal Deputy Narum asserted that aerial attacks on civilian populations behind the front serve no military purpose and that only innocent women and children suffer.

In commenting on this new campaign the Lausanne Gazette recounts that the German press has been claiming that the British have bombed London and Paris with Zeppelins and airplanes many more than a hundred times, while the Allies claim to have dropped only a few bombs. The Germans, it adds, after only a few months of bombardment of their own towns are crying "Kamerad."

FOCH ARMIES TAKE 2 TOWNS; 500 MEN

Continued from First Page.

been greatly improved and a small salient which had been left in the line after Tuesday's attack has been eliminated.

Yesterday's operation was a case of being able to seize an opportunity when it was presented. At one point four Austrians were captured. The British and French by a quick assault on the enemy's defense line captured between thirty and forty prisoners.

The considerable body of British troops was sent forward to exploit the victory. The British line was pushed forward without much opposition and more than 150 prisoners were taken. A number of machine guns had been captured up to today.

This morning the operations were still being continued at various points, and one fortified enemy position was captured southwest of Meris. For some time the British in this sector have had complete control of No Man's Land and are pushing forward with a view to show their hands.

Prisoners say that the discipline of their troops in this zone is not up to the standard of the British. Some of the men of the Fourth Bavarian Division refused point blank to go into the line again when the order was issued by Prince Rupert of the Rhine. It appears that the British previously had made one of the German prisoners a prisoner of war. They had been allowed the British to capture many prisoners.

German guns and bombing airplanes have not harassed the city of Amiens, one of the objectives in the German drive since June 9. Since June 25, previous to that date, during the fighting along the Somme the bombardment of the city had been so heavy that the civilian population had been removed.

The British fighting forces in France now aggregate two million men, says the Havas correspondent on the British front. This equals the number on the front in 1917.

PLANS CORPORATION TO FINANCE RUSSIA

Wilson Is Said to Favor \$100,000,000 Company.

Special Despatch to The Sun.

WASHINGTON, July 12.—The formation of a \$100,000,000 corporation to assist in the rehabilitation of Russia industrially and commercially is under consideration by the President, according to President Wilson for offering aid to that country.

Ever since the Russian plan was first broached there has been much speculation as to the financing of it, no appropriation of Congress apparently being available for any such purpose. It is understood the plan calls for the War Finance Corporation to furnish the necessary funds to a corporation to be formed for this purpose.

President Wilson continued his conferences at the White House today, and among others saw George F. Peabody, the New York banker, Mr. Peabody and Daniel Willard, it is believed, will be among the members of the commission or the corporation which may be formed.

Sinevala Romanoff, Nikifor Kasach and Y. Demianenko, representing the Russian American Economic Association, visited Chairman Hitchcock of the Senate Committee on Foreign Relations today to discuss the Russian plan for industrial reform.

The suggestion presented by the delegation was that the \$100,000,000 Russian plan to form a corporation to assist in the rehabilitation of Russia industrially and commercially is under consideration by the President, according to President Wilson for offering aid to that country.

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LONDON NEWSPAPER URGES RUSSIAN AID

"Times" Says Bolsheviki Are Near End of Power.

Special Cable Despatch to The Sun from the London Times.

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LONDON, July 12.—The "Times" and other London newspapers have been urging the British Government to give aid to the Russian people. The "Times" says the Bolsheviki are near the end of their power.

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MOSCOW THREATENED.

Paris Heats Peasants Are on Way to Attack.

PARIS, July 12.—M. Tchernoff, a leader of the Russian Social Revolutionists, is marching on Moscow at the head of a group of about 10,000 peasants, says a despatch from Stockholm to the Malm. Part of his force has arrived in the outskirts of the Bolshevik capital.

German claims for indemnities from Russia amounts to the round sum of 7,000,000,000 rubles (\$3,500,000,000) under normal exchange, according to a report printed in the Berlin Vossische Zeitung of the work done by the mixed commission named to take up consideration of claims growing out of the conclusion of the Treaty of Brest-Litovsk.

This commission has concluded its sessions, during which the German representatives, says the newspaper, presented claims aggregating the amount named for war damages. Immediate settlement of the claim is asked, it is stated.

Russian railway men are on strike in several districts, according to a Zurich despatch, quoting the Leipzig Neueste Nachrichten.

WANTS MORAL VICTORY.

Dr. Dernburg Is Rebuked by Junker in Prussian Upper House.

AMSTERDAM, July 12.—In the course of a debate Wednesday in the Prussian Upper House Dr. Bernhard Dernburg, former German Minister of Colonial Affairs, argued that a peace never was concluded on the battlefield alone. Without the cooperation of the diplomacy no peace could be attained, he declared.

"If Prussia," said Dr. Dernburg, "is to maintain her leading position she must make and continue to make moral conquests."

"I am rather doubtful whether she has succeeded in this," Dr. Dernburg added, in an appeal to the council in the Reichstag.

There were shouts of contradiction at this, and the extremist Junker, Herr Oldenburg-Januschek, replied with a flamboyant discourse on the greatness of the House of Hohenzollern, whose members, he said, "have ever educated themselves and their people to fight and die for the State."

Dr. Dernburg is the last man who ought to talk about moral conquests," he added. "Such things lead to banquets in honor to the American Ambassador Gerard."

Dr. Dernburg replied:

"I never regarded Mr. Gerard as a fit object for moral conquests. I did not attend the banquet in question, but so did the Vice-Chancellor and the Secretary of State for Foreign Affairs."

5 ASPIRE TO POLISH THRONE.

Kaiser's Son Among Candidates for Job.

Special Cable Despatch to The Sun from the London Times.

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TIR HAUTE, July 12.—Five candidates according to the Berlin Telegraph are now named for the throne of Poland.

They are:

Archduke Karl Stephan, Prince of Austria; the Kaiser's fourth son; Duke Frederick Christian, the King of Saxony's second son; Duke Albert of Württemberg; Prince Alois of Austria; King Ferdinand's second son.

CAPTIVE SENDS NOTE BY AIR.

Aviator Clarence Young Reports That He Is Unharmed.

By the Associated Press.

PARIS, July 12.—A note received from Clarence Young, Des Moines, who had been captured by his airplane in the hands of the German lines in the fighting on the lower Rhine, has been received. The note states that Young is unharmed and is being held in a prisoner of war camp.

A postscript to his comrades reads: "See you after the war."

\$50,000,000 STEEL LOAN.

Bethlehem Company Notes to Be Taken by War Corporation.

WASHINGTON, July 12.—An agreement practically has been reached between the Bethlehem Steel Company and the War Finance Corporation under which the \$50,000,000 steel loan will be taken by the company will be underwritten in part by the Government.

It is understood that the Bethlehem company, which is engaged in the manufacture of war munitions, will use a part of the new funds for financing expansions and a part for meeting indebtedness maturing in the near future.

BELLANS Absolutely Removes Indigestion. Druggist refund money if it fails. 25c